

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

The bill does not appear to implicate any of the House Principles.

B. EFFECT OF PROPOSED CHANGES:

Present Situation

Section 215.3208(1), F.S., provides that, in order to implement s. 19(f), Art. III of the Florida Constitution, a schedule for review of the trust funds be included in the legislative budget instructions developed pursuant to s. 216.023, F.S. Additionally, the 2004 Legislature amended language in s. 215.32(2)(b), F.S. to define the purposes and uses of various trust funds used in day-to-day operations (Ch. 2004-234). In addition to other trust funds created by law, to the extent possible, each agency must adjust its internal accounting to use existing trust funds consistent with the requirements of this subparagraph. If an agency does not have trust funds listed in this subparagraph and one is required, the agency must recommend the creation of the necessary trust fund(s) to the Legislature no later than the next scheduled review of the agency's trust funds pursuant to s. 215.3208, F.S. The trust funds in the Department of Education are scheduled for review this year.

Chapter 99-27, Laws of Florida, re-creates the Educational Aids Trust Fund within the Department of Education to administer receipts and disbursements for federal grants. Current revenue sources for the Educational Aids Trust Fund include federal grants, indirect cost earnings and overhead assessments against federal funds pursuant to indirect cost rates negotiated by the department and approved by the federal government. This fund meets the requirements of s. 215.32(2)(c), F.S., establishing the Administrative Trust Fund as the designated fund agencies are required to use for indirect cost earnings assessed on federal funds.

Section 1010.78, F.S., creates the Projects, Contracts and Grants (P, C & G) Trust Fund within the Department of Education to administer contracts and grants for specific projects and to fund time-limited employment for personnel working on those projects. Current revenue sources for the P, C & G Trust Fund include private donations from the Milken Foundation, fee revenue generated from the administration of General Educational Development (GED) testing, and monies generated from the leasing of available transponder time from the state's satellite transponder resources.

Section 1010.72, F.S., creates the Dale Hickam Excellent Teaching (Excellent Teaching) Trust Fund within the Department of Education to be used to provide monetary incentives and bonuses for Florida teachers to obtain national board certification through the national Board of Professional Teaching Standards (NBPTS). Since the legislature has discontinued double budgeting this trust fund does not have a revenue source.

Effect of Proposed Change

The bill terminates the Projects, Contracts and Grants Trust Fund and the Dale Hickam Excellent Teaching Trust Fund within the Department of Education. The bill also renames the Educational Aids Trust Fund as the Federal Grants Trust Fund pursuant to s. 215.32, F.S.

The Department of Education recommended termination of the P, C & G Trust Fund in the scheduled trust fund review as part of the legislative budget request. All cash will be transferred to individual components of this fund. Donations from the Milken Foundation will be transferred to the Grants and Donations Trust Fund within the Department of Education. Monies generated from the leasing of available transponder time from the state's satellite transponder resources will be transferred to a new

Operating Trust Fund, pursuant to s. 215.32, F.S. If the agency's legislative budget request issue number 3001370 for Fiscal Year 2007-08 is not approved by the legislature, fees for GED testing will also be transferred to the new Operating Trust Fund.

The Department also recommended termination of the Dale Hickam Excellent Teaching Trust Fund. The fund is in the process of being closed since the legislature discontinued double-budgeting which provided general revenue as the revenue source for the fund. The department estimates that the available cash remaining in this fund will be used in conjunction with state funds in Fiscal Year 2006-07 for the Excellent Teaching Program. Any funds remaining in the trust fund on June 30, 2007 will be deposited in the General Revenue Fund.

The Educational Aids Trust Fund is renamed as the Federal Grants Trust Fund pursuant to s. 215.32 (2)(g), F.S. All funding sources are maintained. However, HB 1332 creates the Administrative Trust Fund within the Department of Education into which the indirect cost earnings on federal funds will be transferred from the Educational Aids Trust Fund.

C. SECTION DIRECTORY:

Section 1: Terminates the Projects, Contracts and Grants Trust Fund within the Department of Education, effective July 1, 2008.

Section 2: Renames the Educational Aids Trust Fund as the Federal Grants Trust Fund.

Section 3: Conforms statute.

Section 4: Repeals sections 1010.72 and 1010.76, F.S.

Section 5: Repeals section 1010.78, F.S., effective July 1, 2008.

Section 6: Repeals subsection (5) of section 1012.72, F.S.

Section 7: Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues: None.
2. Expenditures: None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues: None.
2. Expenditures: None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR: None.

D. FISCAL COMMENTS:

This legislation has no fiscal impact on state agencies or state funds, on local governments as a whole or on the private sector. This is simply a change in operating procedures to align agency accounts with the requirements of section 215.32, Florida Statutes.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision: None.

2. Other: None.

B. RULE-MAKING AUTHORITY: None.

C. DRAFTING ISSUES OR OTHER COMMENTS: None.

D. STATEMENT OF THE SPONSOR

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES